



東風



TUNG FENG

香港東區扶輪社週報 THE ROTARY CLUB OF HONG KONG ISLAND EAST

Last week's Proceedings -

14th January, 2009

The Luncheon Meeting was started at 1:03pm with President Andy welcoming our speaker Mr. Henry Lam and his colleague Elvis Lo from Blue Water Chartering & Brokerage (HK) Ltd., our visiting Rotarian PP Peter Tse from the E-Club and our Ambassadorial Scholar Eddie Walneck.

President Andy also prepared a PowerPoint that was shown during lunch with pictures taken at the Duchess of Kent Children Hospital on 25th Dec, 2008.

President Andy then made the following announcements:

1. Memorial gathering for late PDG. Dr. Raymond Wong will be held on 16 Jan, Friday with details as follows:

Venue: The School Hall of the Hong Kong Wah Yan College, 281 Queen's Road East, Wanchai, Hong Kong.

Time: 7:30 reception with Gathering commences at 8:00pm to 9:30pm

2. The first co-organizing committee and sponsoring clubs meeting for the Childhood Injury Prevention project will be held on 16 Jan. at Club de Recreio at 7:30pm. President Andy invited members who would be interested to come to join the meeting in that evening.

3. On 26 Feb. we shall have a joint Area 3 dinner. The highlight of the evening will be the pianist Warren Wills - one of the Giants of the Piano - and he will be performing for us. Mr. Wills website is as follows:- <http://www.splitter.com.au/warrenwillsmusic/index.php>

4. Uncle John Golf Tournament has been postponed to 6th February due to various District Activities. The Tournament will take place in Fanling and fellowship dinner at Craigenower Cricket Club in Causeway Bay.

5. Encouraging messages needed for the Playright Booklet and President Andy urged members to submit the messages to be printed on the Booklet.

Acting Sergeant-at-Arm PPRudy Law announced that the total contributions for red box was HK\$900.- and he thanked all contributors for their generosity.

Hon. Secretary Heman introduced our speaker, Mr. Henry Lam, Managing Director of Blue Water Chartering & Brokerage (HK) Ltd, who is a veteran in the shipping industry, with over 20 years of experience. He shared with us the topic of - The Change in the shipping industry after the financial tsunami from the perspective of ship owners' representative.

Mr. Lam first shared with us the Baltic Index; the index provides an assessment of the price of moving the major raw materials by sea. The Index from 21 Jun 08 onwards till 18 Dec 08 showed a significant drop with Baltic Dry Index (BDI), Baltic Supramax Index (BSI) and Baltic Panamax Index (BPI) declined by 95%, 90% and 95% respectively. BDI is a leading economic indicator as it predicts future economic activity.

He then enlightened us on the Earnings on Dry Cargoes - the Bulker Spot Earnings (US\$ per Day) and they have dropped tremendously, with Capesize vessel dropped by 95% and Panamax and Handymax declined by 90%. In about the middle of 2008 when it was at the peak, a Capesize vessel could have daily earnings of slightly over US\$180,000 per day.

The Containership Timecharter Rates also revealed of the crash to an all-time low, very near to the rate in the bear market of 2002. Daily Earnings have dropped - for 725 teu* geared, a 65% slash, for 1700 teu geared and 2750 teu gearless, both are slashed by 75% (* a teu is a twenty-foot equivalent unit of container capacity). There are increasing laid-up of container vessels to more than 200 units in January 2009.

Mr. Lam also showed us that in 2009 the total fleet capacity is increasing and is estimated to increase by 12.7% while total trade demand would also rise by 6.7% hence expected supply growth would out-number expected demand growth by 6% and even more, resulting idle capacity and lowering of earnings.

The outlook would be bleak for the next 2 years due to the financial tsunami. Old vessels scrapping will be increased while new vessel building orders would be slowed down. However, the sharp decline in scrapping price might put off the urge to scrap the older vessels. Economy would still go up with employment adjust and total correction would be in place.

Mr. Lam continued with the recent rampant piracy in Somalia. He shared with us that on the owners side, back in middle of 2008, one has

to pay ransom to pirates amount to US\$ 1 million per case for the safety return of the vessel and the crew, but the total expenses to owners would estimate at US\$3 million per case as expenses would be paid to parties concerned. On one hand, there are the safeties of the crew which would be of vital importance, while on the other hand, the person to pay the ransom may not be safely returned, and who would be willing to handle the matter?

After some keen questions from our members, Mr. Lam was formally thanked by Rtn. Colin Chau.

The meeting closed with a toast to RI coupled with RC of E-Club and RC of HKIE, and a time of fellowship followed by group photograph.

Rotary Potpourri

Global Financial Tsunami

In the midst of the worldwide financial turmoil as released by Rotary International as per the following letter, we have fulfilled our target for this Rotary year by recruiting more Multiple Paul Harris Fellows. They are President Andy Wong, PP Hubert Chan, PP John Kwok, P-E Norman Lee, Director Eric Chin.

The RI news reads "The current investment climate continues to present challenges to our organization. Since 30th September, Rotary international's general fund declined another 16.1 percent, resulting in a fiscal year-to-date investment loss of 24 percent or US\$22 million. The Rotary Foundation's investment (except for the PolioPlus Fund) also have experienced declines in line with the markets, resulting in losses of \$165 million from July through November.

As we previously reported, nearly all losses to date are unrealized (i.e. due to declines in the market prices of the securities held and would be realized only if the securities are sold). Because Rotarians have continued to pay their dues on time and make generous contributions to the Foundation, we have not had to sell any of our investment securities to meet operating expenses.

You have likely read about the securities fraud committed by Bernard Madoff. Through one of its hedge fund managers, the Foundation had minor exposure (less than 0.1 percent of the Foundation's total investment) to one of Madoff's investment vehicles. We are working with our independent investment consultants to minimize this loss and reduce Rotary's risk in this area.

Investment earnings, and if necessary, operating reserves, are used to fund portion of RI's operating expenses, and all of the Foundation's operating expense. While RI's reserves remain above the Board's targeted level, the Foundation's reserves have declined significantly below the level required by the Trustees. Therefore, we (your Board of Directors and the Trustees of The Rotary Foundation and your Secretaries staff) have been reducing spending and are taking the following actions:

1. Deferring all nonessential activities, including committee meetings;
2. Canceling all nonessential discretionary spending, including staff and volunteer travel, overtime expenses, temporary help, consultants and staff development;
3. Reducing staff and volunteer costs while traveling on RI and Foundation business;
4. Preparing contingency plans and austerity budgets for 2009-2010.

As noted in my previous communications, Rotary's senior leaders, the Financial Services staff, Rotary's Investment consultants, and I continue to closely monitor the financial markets. We are taking all possible steps to ensure that Rotary remains financially strong in this difficult economic environment.

Ed Futa

General Secretary"

Electronic Make-up Questions

You can submit an electronic makeup for this missed meeting by answering the following questions:

Name:

Email:

1. Who was our visiting Rotarian today and from which club ?
Ans)
2. Who were our other visiting guests apart from our speaker ?
Ans)
3. Who will be performing during our Joint Area 3 dinner meeting on 26th February ?
Ans)
4. What is the revised date for the Uncle John Golf Tournament ?
Ans)
5. How much we have collected for the Red Box ?
Ans)
6. Who was our speaker today and what was the topic about ?
Ans)
7. Who was asked to thank the speaker ?
Ans)
8. Who were recruited as Paul Harris Fellows in our Club this year?
Ans)

Joke

Subject: The Five Minutes Management Course (continued)

Following from the last bulletin we give you the second lesson of the five minutes management course as below:

Lesson 2:

A sales rep, an administration clerk, and the manager are walking to have lunch when they find an antique oil lamp.

They rub it and a Genie comes out.

The Genie says, 'I'll give each of you just one wish.'

'Me first! Me first!' says the admin clerk. 'I want to be in the Bahamas, driving a speedboat, without a care in the world.'

Puff! She's gone.

'Me next! Me next!' says the sales rep. 'I want to be in Hawaii, relaxing on the beach with my personal masseuse, an endless supply of Pina Coladas and the love of my life.'

Puff! He's gone.

'OK, you're up,' the Genie says to the manager.

The manager says, 'I want those two back in the office after lunch.'

Moral of the story:

Always let your boss have the first say.

Photographs of our meeting

on

14th January, 2009



PDG Uncle Peter Hall, Speaker Mr. Henry Lam and Pres. Andy Wong



Acting SAAPP Rudy & visiting guest Mr. Elvis Lo



(L to R) PP Eddy Wong, IPP Laurence Chan, Dir Dr. Eric Chin, PP Peter Tse from E-Club



(L to R) PP Stephen Liu, Rtn. Colin Chau & our new fellow member, Rtn. Anthony Kwong



Our usually guest, Ambassadorial scholar, Eddie Walneck



(L to R) Rtn. Gilbert Fung, PP Rudy & guest, Elvis Lo



Hon. Sec. Heman introduced this week's speaker to all the members



This week's speaker, Mr. Henry Lam from Blue Water Chartering and Brokerage (HK) Limited



Group photo with guests, Ambassadorial Scholar & members

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